

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7061

BILL NUMBER: HB 1296

NOTE PREPARED: Jan 9, 2012

BILL AMENDED:

SUBJECT: Employee's Right to Work.

FIRST AUTHOR: Rep. McClain

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill makes it a Class A misdemeanor to require an individual to:

- (1) become or remain a member of a labor organization;
- (2) pay dues, fees, or other charges to a labor organization; or
- (3) pay to a charity or another third party an amount that represents dues, fees, or other charges required of members of a labor organization;

as a condition of employment or continuation of employment.

The bill establishes a separate private right of action for violations or threatened violations. It provides that the statute does not apply to federal employees, employees subject to certain federal laws, certain employees over whom the federal government has jurisdiction, state employees, and employees of a political subdivision. It provides that the statute does not apply to the extent it is in conflict with or preempted by federal law.

Referendum: The bill also provides that the statute applies only if the voters of Indiana approve a public question. It requires a public question to be placed on the 2012 general election ballot asking the voters of Indiana whether it should be unlawful for an employer to require an individual to become or remain a member of a labor organization or pay dues, fees, assessments, or other charges of any kind or amount to a labor organization as a condition of employment or continuation of employment.

Effective Date: Upon passage.

Explanation of State Expenditures: Costs for the Office of the Attorney General may increase if the Attorney General is required to investigate complaints of violations or enforce compliance if a violation of the statute is found.

Referendum: The Secretary of State would be able to certify, via the Indiana Election Commission and Indiana Election Division, the public question results within existing resources.

Explanation of State Revenues: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$5), judicial salaries fee (\$19), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

Explanation of Local Expenditures: Costs for county prosecuting attorneys may increase if the prosecuting attorneys are required to investigate complaints of violations or enforce compliance if a violation of the statute is found.

Referendum: Counties with optical-scan voting systems would see a slight increase in ballot printing expenditures to add the public question to the 2012 general election ballot.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

State Agencies Affected: Office of the Attorney General; Secretary of State.

Local Agencies Affected: Trial courts, Local law enforcement agencies, Counties.

Information Sources:

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